



# Soil & Water Conservation Districts

December 2018



## Special Investigation Case Studies



Jble.af.mil



# Internal Controls

- Control Environment
- Risk Assessment
- Control Activities**
- Information and Communication
- Monitoring

[www.in.gov/sboa](http://www.in.gov/sboa)

## UNIFORM INTERNAL CONTROL STANDARDS FOR INDIANA POLITICAL SUBDIVISIONS



Paul D. Joyce, CPA  
State Examiner

September 2015



# Department of Justice

United States Attorney Josh J. Minkler  
Southern District of Indiana

FOR IMMEDIATE RELEASE

Thursday, October 11, 2018

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## FEDERAL AND STATE PROSECUTORS JOIN THE INDIANA STATE BOARD OF ACCOUNTS TO HOLD PUBLIC OFFICIALS ACCOUNTABLE

*15 individuals charged with over \$1 million in losses*

PRESS RELEASE



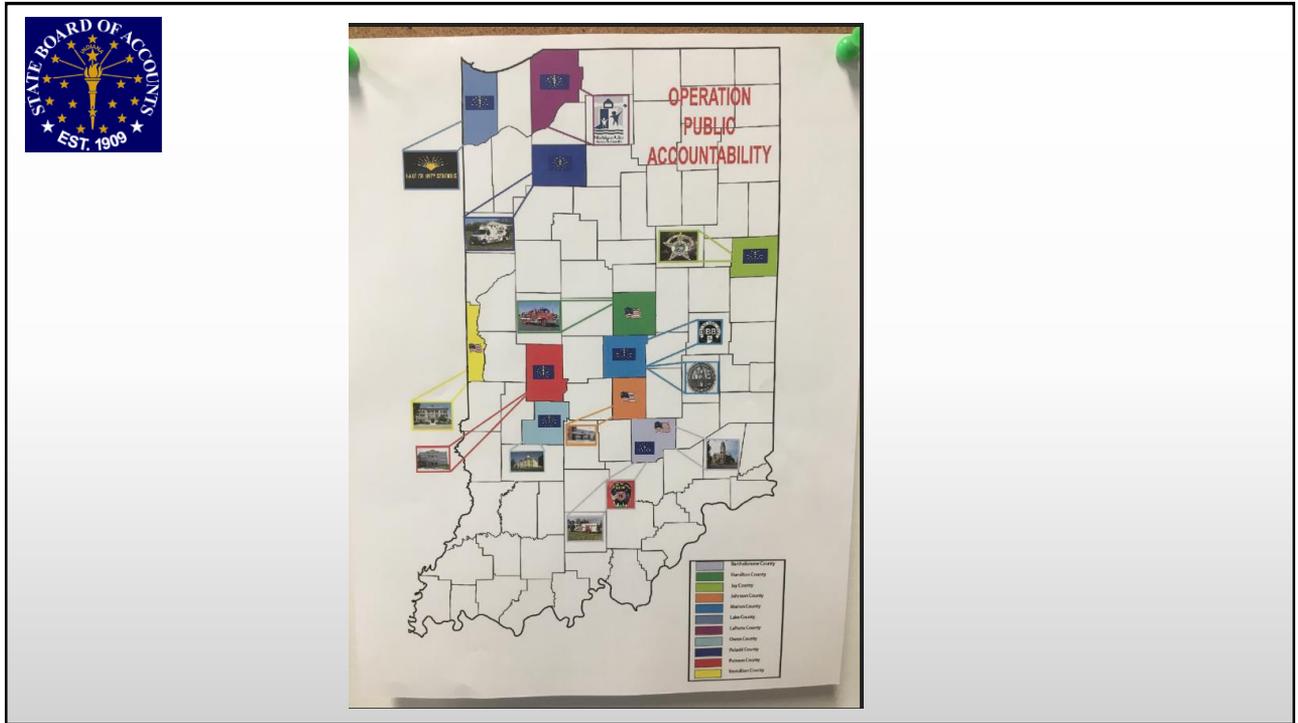
## Press Conference



## OPERATION PUBLIC ACCOUNTABILITY



**U.S. attorney announces 15 officials charged in public corruption crackdown**



## Common Internal Control Findings

Did not  
*separate incompatible activities*  
related to receipts,  
disbursements, and payroll.



Did not have a  
*review or approval process*  
over bank reconciliation or  
over financial close and  
reporting

<https://pixabay.com/en/warning-sign-30915/>



## Collections Not Deposited

Receipts

Fundraisers Proceeds

Fees / Accountable Items

Asset Sales

“Uncleared” Deposits



## Collections Not Deposited

What procedures can you put in place to protect your District?

Control Activities

Reconciliations

Authorizations

Approval Processes

Verification Processes



<https://commons.wikimedia.org>

Segregation of Duties and Compensating Controls



# Payroll

Overpayment of Compensation

Adjustments to Withholdings

Payroll Service Providers



Payroll by [Nick Youngson CC BY-SA 3.0 Alpha Stock Images](#)



# Payroll

What procedures can you put in place to protect your District?

## Control Activities

- Reconciliations
- Authorizations
- Approval Processes
- Verification Processes



<http://www.creative-commons-images.com/highway-signs/p/procedures.html>

Segregation of Duties and Compensating Controls



## Unauthorized Withdrawals, EFTs, Checks

Cash Withdrawals

Checks Payable to Cash

Counter Checks

EFTs

Duplicate Payments

Supporting Documentation



<https://en.wikipedia.org/wiki/Cash>



## Unauthorized Withdrawals, EFTs, Checks

What procedures can you put in place to protect your District?

Control Activities

Reconciliations

Authorizations

Approval Processes

Verification Processes



<http://www.cjhr-irsc.gc.ca/e/47382.html>

Segregation of Duties and Compensating Controls



## Personal Expenses

- Adjustments
- Personal Expenses
- Debit Card Purchases
- Electronic Funds Transfers



the-military-guide.com



## Personal Expenses

What procedures can you put in place to protect your District against the payment of personal expenses?

### Control Activities

- Reconciliations
- Authorizations
- Approval Processes
- Verification Processes



<https://pxhere.com/en/photo/842428>

### Segregation of Duties and Compensating Controls



## Internal Controls

Review the Internal Control Manual

Continue to Establish Procedures

Address All Five components

Update Procedures as Needed



[https://commons.wikimedia.org/wiki/File:Take\\_action.jpg](https://commons.wikimedia.org/wiki/File:Take_action.jpg)



## Indiana Code 5-11-1-27

### Report of Misappropriation

- **Actual or Reasonable Cause**
  - to believe a misappropriation has occurred
- ***Shall immediately*** send **written** notice to
  - State Board of Accounts
  - County Prosecutor



Theodysseyonline.com



## Indiana Code 5-11-1-27

# Report of Variance / Loss

- Materiality Threshold
- ***Shall be reported immediately***  
to the State Board of Accounts



<https://thecompleterecipe.com/wp-content/uploads/2014/02/Pick-up-the-phone.jpg>



<https://us.123rf.com/450wm/alexmillos/alexmillos1504/alexmillos150400099/38301002-stock-vector-corrective-action-check-mark-sign-illustration-design-over-white-background.jpg?ver=6>



## Corrective Action Plans

- Progress
- Internal Controls
  - Receipting, Disbursing, Payroll
  - AFR
  - SEFA
- Overdrawn Cash Balances
- Bank Reconciliation
- Errors on Claims
- Supporting Documentation
- Penalties and Interest



<https://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=2ahUKEwitgTXAJYneAhUOVkWKHabHCocQJRv6BAgBEAU&url=https%3A%2F%2Fhealthcare.riskconnect.com%2Fabout-us%2Fcompany%2Fblog%2Fincidentaccident-investigations-in-four-easy-steps-corrective-actions-part-3%2F&psig=AOvVaw2DF8njfsXJzUmaaivnl8a&ust=1539714549717473>



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**THANKS  
FOR  
LISTENING**

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